Further, the Government, in recent years, have also initiated several measures in consultation with Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) for financial empowerment of poor people. Banks have been instructed to achieve financial outreach through opening of "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, NGOs, Post Offices on the lines of Business Facilitator/Business Correspondent Model and to finance oral lessees and landless agricultural labourers through the Self Help Group and Joint Liability Group approach, etc.

Besides, pursuant to the announcement in the Union Budget 2008-09, while Indian Banks Association and NABARD have advised the Scheduled Commercial Banks and Regional Rural Banks to achieve the target of adding 250 rural household accounts during this year, fresh guidelines have been issued by RBI for appointment of individuals e.g. retired bank officers, ex-servicemen, etc. as Business Correspondents.

Funding of food processing industry by NABARD

†2391. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government has made an additional allocation of Rs. 1000 to be disbursed through National Bank for Agriculture and Rural Development (NABARD) for the development and expansion of Food Processing Industry in the country;

(b) if so, the details thereof;

(c) whether any directions have been issued for disbursement of the amount; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. However, National Bank for Agriculture and Rural Development (NABARD) has been making annual allocation of Rs. 1,000 crore in its refinance budget since 2006-07 for Agro Processing from its own resources.

(b) to (d) Do not arise. However, NABARD has its own policy for disbursement of amount as it treats Agro Processing/Food Processing as a thrust area. NABARD extends refinance facilities from its own funds to Regional Rural Banks and Cooperative Credit Institutions for supplementing their resources for lending to agro processing along with many other agriculture purposes and Non Farm Sector activities in rural areas. The refinance for agro processing is available at 100% of their lending. Besides, NABARD has also introduced 'direct financing by way of co-financing' for activities of agriculture and rural development. During the course of review meetings with banks, NABARD pursues with them about the progress of disbursements under Agro Processing/Food Processing Sector.

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†Original notice of the question was received in Hindi.